



white paper

The Prevention of Illegal Workers

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The UK Border Agency introduced a Civil Penalty scheme in February 2008, which allows them to issue a Civil Penalty of up to £10,000 per illegal worker to employers that are found in breach of Section 15 of the Immigration, Asylum and Nationality Act 2006.

The scheme sits alongside a criminal offence of knowingly employing an illegal worker, which can be used in more serious cases. This offence carries a custodial sentence of up to two years and/or an unlimited fine.

From February 2008 to June 2012, thousands of businesses in the United Kingdom had been fined in excess of £71 million by the UK Border Agency for employing illegal workers.

These Civil Penalties have been issued to large and small organisations alike and in all areas of the United Kingdom.

Furthermore fines are often imposed in cases where the organisations employed the workers not knowing they were illegal, although had failed to comply by the various rules and regulations as set out by the UK Border Agency.

Comprehensive guidance to the prevention of illegal working can be found on the UK Border Agency website. The latest guidance and codes of practice can be found on:

www.ukba.homeoffice.gov.uk/sitecontent/documents/employersandsponsors/preventingillegalworking/

The UK Border Agency regularly update their website by reporting the illegal workers that they have caught. They also do so by naming the companies involved.

www.ukba.homeoffice.gov.uk/news-and-updates/?page=1&area=Enforcingthelaw

Organisational Responsibility

All organisations are required to ensure that they follow the numerous rules and regulations set out by the UK Border Agency when employing anyone. This can be a potential minefield for companies as the rules have been updated on a number of occasions since employers were first required to ensure that all of their employees had a right to work in the UK in January 1997.

Furthermore the rules cover issues such as asylum seekers, workers from new member states of the European Union, non-EU students, highly skilled workers, family members of EU citizens, types of documentation to be retained by the employer

and employer responsibilities on the verification of documentation held.

To ensure that organisations do not fall foul to these rules, it is recommended that they:

Ensure that they are fully versed in the rules and regulations. In larger organisations this is often the responsibility of the Human Resources Director/ Manager and then relevant information passed throughout the organisation

Maintain a comprehensive personnel file system

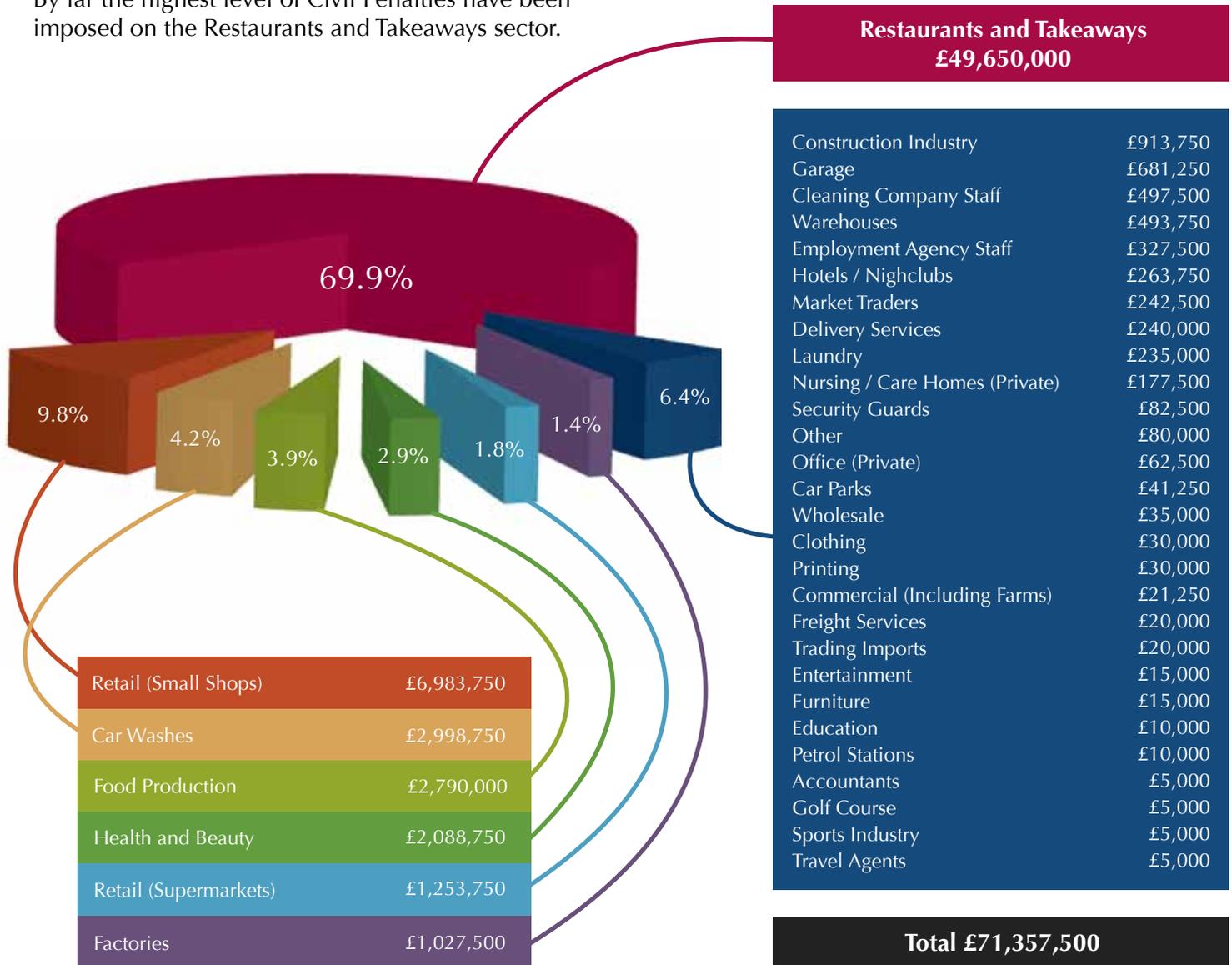
Retain relevant documentation relating to employee identification and where required, documentation showing the right to work in the United Kingdom

Civil Penalties Statistics

Civil Penalties totalling £71,357,500 were imposed on employers from 29th February 2008 to 30th June 2012. (Sourced from the UK Border Agency management information system and are subject to change due to internal data quality checking)

By far the highest level of Civil Penalties have been imposed on the Restaurants and Takeaways sector.

These totalled over £49 million and accounted for 70% of the overall penalties imposed on employers during this period.



Verify original documents have been seen and copied

Up date documents as and when they expire

Perform checks on documentation in line with the guidelines from the UK Border Agency

Perform regular independent checks on files to ensure that they are up to date

However, employers are not required to be able to spot counterfeit documentation. Therefore should an employer be found to be using an illegal worker, as long as they have adhered to the rules on document retention and verification, it is possible that this can then be used as a defence against any potential fines.

There are also companies that can be used by any employer who suspects that one of their workers has presented counterfeit documentation. Based on the information provided, it is possible for some of the documents to be verified.

Employers may also want to report any workers they suspect as being illegal directly to the UK Border Agency.

About m-r-s

m-r-s solutions Ltd has provided internal audit services to the hospitality industry for the past 25 years. The company is based in Leicestershire and provides a tailor made service to our clients throughout the United Kingdom, Channel Islands and the Republic of Ireland.

We pride ourselves in being able to deliver in services to meet niche markets and tailor specifically to achieve desired goals of our customers. Our current Portfolio of Services includes:

Standards Audits

Ensuring standards are maintained and adhered to and specifically in line with the company's controls and procedures financial policies. This can take the form of a scored audit assessing the efficiency within that establishment.

Compliance Audits

As well as ensuring standard practices are being adhered to, compliance testing includes specific audit checks on Cash, Banking, Discounts, Voids, Refunds, Purchases, Stock, Payroll, Personnel and Legal/ Company Notices. Scored audits are recommended to assess efficiency within that establishment.

Risk Audits

Risk management audits have become a popular way of addressing a problem area within specific area of the business. Risk audits are becoming a much more commonplace within the Hospitality Sector and guards against fraud, embezzlement, legal threats, poor performance, mis-management etc. Audits are tailored specifically to ensure future risk is minimised.

Remote System Audits

More sophisticated back office management systems are being introduced all the time into the Hospitality Sector. Our Remote Investigation Team monitor and report back trends, concerns and potential Fraudulent practices. We also support the Interviewing processes that may lead on from such findings.

Stock Valuations

For customers who require an accurate Food and Beverage count and valuation.

Stock Audits

Auditing of management own stocks, reporting back accuracy, findings and anomalies.

Stock Result Audits

Completing a full Food and Beverage count, reconciling Sales, Purchases and Allowances. Producing Gross Profit result, variance report and recommendations report.

Stock Inventory

We can provide, install and service maintain a bin book system to aid the operation in achieving good ordering practises, reduce stock holding and improve efficiency.

Workshops & Management Consultancy

We are here to help! m-r-s solutions Ltd can provide workshops for management struggling to achieve their Gross Profit margins, comply with company controls and procedures, personnel file management etc.

To find out more about our services, please contact:

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